

FACTORS CONSIDERED FOR UNDERTAKING CSR INITIATIVES: STUDY WITH RESPECT TO OWNERS OF SMALL MANUFACTURING ENTERPRISES

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ABSTRACT

Companies executing Corporate Social Responsibilities activities play major role in adding value towards development of local community. Since past few years, CSR has been the center of all corporate discussions and policy frameworks. As CSR became utmost important in sustainable social and environmental development, it is necessary to study the conceptual framework of CSR and its various dimensions particularly in the Indian Corporate sector. Research studied and analyzed various factors considered by owners of small manufacturing enterprises in Nagar taluka for undertaking CSR initiatives. Exploratory Research design was used covering 45 owners who conducted and undertook different CSR initiatives and programs. Study was based on primary data collected through field survey method.

KEYWORDS: CSR, Factors, Social Responsibilities, Small Manufacturing Enterprises.

INTRODUCTION

According to European Union Commission, 'Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.' Corporate Social Responsibility (CSR) showcases the power to be a good local citizen which helps in creation of sustainable livelihoods.

For any company, giving the Social Responsible Behaviour (SRB) the utmost priority is no longer seen as an unproductive cost or resource burden, but instead as a means of enhancing reputation and credibility amongst the stakeholders: sometimes on which success or survival may depend. The basic and prime objective of SRB is to maximize company's overall impact on society and stakeholders while having a consideration for environment and overall sustainability as well. Not only the corporate units, but also Governments are aware of national competitive advantages. Obligations of business organization regarding good HR policies, environmental practices and healthy communal relations act as vital element about opinions formed by public at large and also sense of satisfaction and belongingness among staff employees.

Companies executing CSR activities play major role in adding value towards development of local community. Since past few years, CSR has been the center of all corporate discussions and policy frameworks. As CSR became utmost important in sustainable social and environmental development, it is necessary to study the conceptual framework of CSR and its various dimensions particularly in the Indian Corporate sector.

Researcher has considered and assessed the following factors for undertaking CSR programs and initiatives:

- Acquire new customers
- Adhere compliances and laws

- Avail tax benefits and exemptions
- Develop new businesses or products
- Enhance goodwill among stakeholders
- Enhance market brand and public image
- Escalate sales and profitability
- Improve relations with stakeholders
- Preserve environment
- Retain potential employees

II) Research Design

- **Objective of Study:**
 - To study and analyze the factors considered by owners of small manufacturing enterprises in Nagar taluka for undertaking CSR initiatives.
- **Scope of Study:**
 - Exploratory Research was carried out by contacting the owners of small manufacturing enterprises located in Nagar taluka, Maharashtra state.
 - Owners of small manufacturing enterprises who conducted and undertook various CSR initiatives and programs were considered.
- **Data Collection:** Primary data was collected from 45 owners of small manufacturing enterprises through field survey method. Data was collected through personal discussions with the owners.
- **Sampling Plan:**
 - Population included owners of small manufacturing enterprises in Nagar Taluka, Maharashtra state irrespective of sales turnover and / or profitability earned.
 - Sampling Frame included owners who conducted and undertook various CSR initiatives and programs in the past.
 - Sample Size was 45 individuals (owners of small manufacturing enterprises).
 - Convenience Sampling method was used.

III) Analysis and Interpretations

Table 1: Table showing factors considered by owners of small manufacturing enterprises for undertaking CSR initiatives

Factors considered for undertaking CSR initiatives	Degree of Importance					Total
	Very Important	Important	Less Important	Not Important	Can't Say	
Acquire new customers	12	26	2	2	3	45
Adhere compliances and laws	14	25	1	3	2	45
Avail tax benefits and exemptions	11	10	21	2	1	45

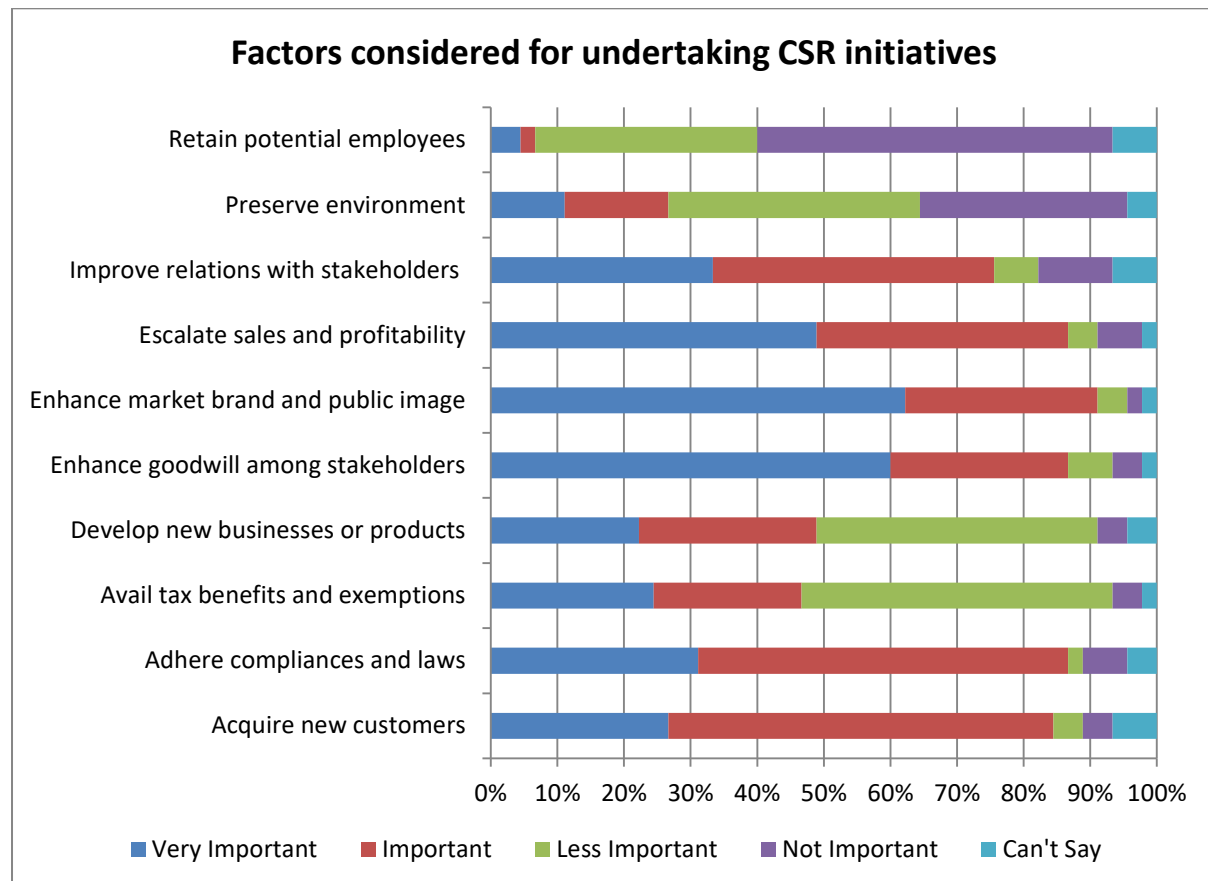
Develop new businesses or products	10	12	19	2	2	45
Enhance goodwill among stakeholders	27	12	3	2	1	45
Enhance market brand and public image	28	13	2	1	1	45
Escalate sales and profitability	22	17	2	3	1	45
Improve relations with stakeholders	15	19	3	5	3	45
Preserve environment	5	7	17	14	2	45
Retain potential employees	2	1	15	24	3	45

Source: Compilation from primary data collected

Table 2: Table showing percentage-wise factors considered by owners of small manufacturing enterprises for undertaking CSR initiatives

Factors considered for undertaking CSR initiatives	Percentage-wise Degree of Importance					Total
	Very Important	Important	Less Important	Not Important	Can't Say	
Acquire new customers	26.67	57.78	4.44	4.44	6.67	100.00
Adhere compliances and laws	31.11	55.56	2.22	6.67	4.44	100.00
Avail tax benefits and exemptions	24.44	22.22	46.67	4.44	2.22	100.00
Develop new businesses or products	22.22	26.67	42.22	4.44	4.44	100.00
Enhance goodwill among stakeholders	60.00	26.67	6.67	4.44	2.22	100.00
Enhance market brand and public image	62.22	28.89	4.44	2.22	2.22	100.00
Escalate sales and profitability	48.89	37.78	4.44	6.67	2.22	100.00
Improve relations with stakeholders	33.33	42.22	6.67	11.11	6.67	100.00
Preserve environment	11.11	15.56	37.78	31.11	4.44	100.00
Retain potential employees	4.44	2.22	33.33	53.33	6.67	100.00

Graph 1: Graph showing percentage-wise factors considered by owners of small manufacturing enterprises for undertaking CSR initiatives



Above tables and graph showed owners-wise and percentage-wise factors considered by the owners of small manufacturing enterprises for undertaking various CSR initiatives and programs. Based on primary data collected and analyzed, following interpretations were drawn:

- Acquiring new and untapped customers as factor was considered important by less than 58% of owners and considered very important by more than 26% of owners.
- Adhering to different compliances and laws as factor was considered important by more than 55% of owners and considered very important by more than 31% of owners.
- Availing various tax benefits and exemptions as factor was considered less important by less than 47% of owners and considered very important by more than 24% of owners.
- Developing new business line and / or new products as factor was considered less important by more than 42% of owners and considered important by less than 27% of owners.
- Enhancing the goodwill among stakeholders as factor was considered very important by 60% of owners and considered important by more than 26% of owners.

- Enhancing the market brand and public image as factor was considered very important by more than 62% of owners and considered important by less than 29% of owners.
- Escalating and increasing the sales turnover and profitability as factor was considered very important by less than 49% of owners and considered important by less than 38% of owners.
- Improving the relationships with stakeholders as factor was considered important by more than 42% of owners and considered very important by more than 33% of owners.
- Preserving and protecting the environment as factor was considered less important by less than 38% of owners and considered not important by more than 31% of owners.
- Retaining the potential and suitable employees as factor was considered not important by more than 53% of owners and considered less important by more than 33% of owners.

IV) CONCLUSION

Following factors were considered very important by the owners of small manufacturing enterprises in Nagar Taluka for undertaking CSR initiatives and programs:

- Enhancing the goodwill among stakeholders
- Enhancing the market brand and public image
- Escalating and increasing the sales turnover and profitability

Following factors were considered important by the owners of small manufacturing enterprises in Nagar Taluka for undertaking CSR initiatives and programs:

- Acquiring new and untapped customers
- Adhering to different compliances and laws
- Improving the relationships and associations with stakeholders

Following factors were considered less important by the owners of small manufacturing enterprises in Nagar Taluka for undertaking CSR initiatives and programs:

- Availing various tax benefits and exemptions
- Developing new business line and / or new products
- Preserving and protecting the environment

Following factors were considered not important by the owners of small manufacturing enterprises in Nagar Taluka for undertaking CSR initiatives and programs:

- Retaining the potential and suitable employees

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